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NORTHERN DISTRICT OF CALIFORNIA

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E-filing

13 UNITED STATES DISTRICT COURT
14 NORTHERN DISTRICT OF CALIFORNIA
15 SAN FRANCISCO DIVISION

HRL

16
17 NATERA,

18 Plaintiff,

19 vs.

20 SEQUENOM, INC.,

21 Defendant.

CASE NO.

COMPLAINT

DEMAND FOR JURY TRIAL

CV12 0132

NATURE OF THE ACTION

1
2 1. Plaintiff Natera brings this action under the Declaratory Judgment Act and the
3 patent laws of the United States against Sequenom, Inc. ("Sequenom") for a declaration that
4 Natera's non-invasive, pre-natal paternity test ("Non-Invasive Paternity Test") and activities
5 related thereto do not directly infringe, whether literally or under the doctrine of equivalents, or
6 contribute to or induce the infringement of any claim of U.S. Patent Number 6,258,540 ("the '540
7 patent") and that one or more claims of the '540 patent are invalid and unenforceable. A copy of
8 the '540 patent is attached hereto as Exhibit A.

THE PARTIES

9
10 2. Natera is a Delaware corporation with its principal place of business in this judicial
11 District at 2686 Middlefield Road, Suite C, Redwood City, California.

12 3. Upon information and belief, Sequenom is a Delaware corporation with its
13 principal place of business at 3595 John Hopkins Court, San Diego, California.

JURISDICTION

14
15 4. This is an action for declaratory relief of patent non-infringement and invalidity
16 arising under the laws of the United States, including Title 35 of the United States Code.

17 5. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1338(a),
18 2201, and 2202. As set forth in more detail below, an actual controversy exists between Natera
19 and Sequenom regarding infringement and validity of the '540 patent because Sequenom has
20 represented that the patent is valid and that Natera must license the '540 patent to practice Natera's
21 Non-Invasive Paternity Test. In fact, Natera's Non-Invasive Paternity Test does not infringe the
22 '540 patent and/or one or more claims of the '540 patent are invalid.

VENUE

23
24 6. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b) & (c). Sequenom
25 is subject to personal jurisdiction here and therefore resides in this District. Moreover, as
26 described below, a substantial part of the events giving rise to Natera's complaint occurred in this
27 District.
28

INTRADISTRICT ASSIGNMENT

7. This is an intellectual property action and, therefore, under Civil Local Rules 3-5(b) and 3-2(c), may be assigned to any division in this District.

ALLEGATIONS COMMON TO ALL CLAIMS**Natera's Non-Invasive Paternity Test**

8. Natera's Non-Invasive Paternity Test is intended to confirm the paternity or non-paternity of a gestating fetus from genetic information in fetal DNA available in the blood of the pregnant mother.

9. Natera has invested significant capital and years of research to develop this test. As a result of these efforts, Natera's Non-Invasive Paternity Test now represents a significant advancement in ease of use and reliability compared to other tests.

10. Natera licenses its Non-Invasive Paternity Test for commercial use within the United States. Natera's licensees include the two leading companies in paternity testing world-wide.

11. Among Natera's licensees is DNA Diagnostics Center ("DDC"). Upon information and belief, DDC operates several centers for the collection of genetic material within this judicial District.

12. Natera began offering its Non-Invasive Paternity Test on or about August 2011. As of the date of this filing, Natera and its licensees continue to offer the test.

The '540 patent

13. The '540 patent is entitled "Non-Invasive Prenatal Diagnosis" and lists its date of issuance as July 10, 2001. The named inventors on the '540 patent are Yuk-Ming Dennis Lo and James Stephen Wainscoat.

14. On or about December 6, 2011, Sequenom represented to Natera that Sequenom is the exclusive licensee of the '540 patent.

Sequenom's threats against Natera and Natera's licensee

15. Upon information and belief, Mr. Dereck Tatman is an officer of Sequenom whose title is Vice President, Business Development.

1 16. Dr. Matthew Rabinowitz is the CEO of Natera. On or about August 22, 2011, Mr.
2 Tatman emailed Dr. Rabinowitz regarding Natera's Non-Invasive Paternity Test. In this email,
3 Mr. Tatman wrote as follows: "As I am sure that you are aware, Sequenom holds an exclusive
4 license to patent rights related to detecting fetal nucleic acids from maternal circulation, and as
5 such, the noninvasive paternity test requires a license."

6 17. On or about August 23, 2011, Dr. Rabinowitz responded in email to Mr. Tatman
7 that Natera's Non-Invasive Paternity Test did not in any way violate Sequenom's intellectual
8 property.

9 18. On or about December 6, 2011, Natera received a letter from Mr. Michael Malecek,
10 Esq., a partner with the law firm Kaye Scholer LLP. Mr. Malecek's biographic information on his
11 firm's website describes him as a partner who practices, among other things, as part of the
12 "Intellectual Property Litigation" practice group.

13 19. Mr. Malacek's letter to Natera stated that his firm represents Sequenom and that the
14 '540 patent "has been exclusively licensed to Sequenom, Inc." After citing to claim language
15 from the '540 patent, Mr. Malacek concluded by writing as follows: "If you believe that the '540
16 patent is not relevant to [Natera's] activities, please provide a detailed explanation of the reasons
17 for such belief, in writing, to me by January 6, 2012."

18 20. On or about January 4, 2012, Mr. Tatman emailed Dr. Rabinowitz concerning
19 Natera's Non-Invasive Paternity Test. Mr. Tatman reiterated his earlier position regarding
20 Natera's need for a license: "I did talk to the team today and in the end there is simply not an
21 understanding here of how the paternity test does not require a license from us and the
22 noninfringement arguments around that."

23 21. Sequenom has also contacted DDC regarding Natera's Non-Invasive Paternity
24 Test. Upon information and belief, Mr. Peter Vitulli is the President and CEO of DDC. On or
25 about August 17, 2011, Mr. Tatman emailed Mr. Vitulli regarding Natera's Non-Invasive
26 Paternity Test and stated that DDC needs a license from Sequenom to practice the test.

27 22. Subsequently, on or about December 6, 2011, Mr. Malacek sent DDC a letter. Mr.
28 Malacek's letter to DDC was nearly identical to the letter he sent to Natera, described in paragraph

19 above. Mr. Malacek's letter to DDC stated that his firm represents Sequenom and that the '540 patent "has been exclusively licensed to Sequenom, Inc." After citing to claim language from the '540 patent, Mr. Malacek concluded by writing as follows: "If you believe that the '540 patent is not relevant to DDC's activities, please provide a detailed explanation of the reasons for such belief, in writing, to me by January 6, 2012."

FIRST CLAIM FOR RELIEF

(Declaratory Judgment of Non-Infringement of U.S. Patent Number 6,258,540)

23. Natera re-alleges and incorporates by reference the allegations set forth in paragraphs 1 through 22 of this complaint as if fully set forth herein.

24. An actual and justiciable controversy has arisen and exists between Natera and Sequenom regarding whether Natera's Non-Invasive Paternity Test and activities related thereto infringe the '540 patent.

25. Natera is entitled to a declaratory judgment that Natera's Non-Invasive Paternity Test and activities related thereto do not infringe, directly, contributorily, or by inducement, any valid, enforceable claim of the '540 patent, either literally or under the doctrine of equivalents, and have not done so in the past.

SECOND CLAIM FOR RELIEF

(Declaratory Judgment of Invalidity of U.S. Patent Number 6,258,540)

26. Natera re-alleges and incorporates by reference the allegations set forth in paragraphs 1 through 25 of this complaint as if fully set forth herein.

27. An actual and justiciable controversy has arisen and exists between Natera and Sequenom regarding the invalidity of one or more of the claims of the '540 patent.

28. Natera is entitled to a declaratory judgment that one or more claims of the '540 patent are invalid for failure to comply with the requirements of the patent laws of the United States as set forth in Title 35 of the United States Code, including without limitation §§ 101, 102, 103 and/or 112.

PRAYER FOR RELIEF

WHEREFORE, Natera prays for relief as follows:

- 1 A. Judgment in Natera's favor on all claims for relief;
- 2 B. A declaration that Natera's Non-Invasive Paternity Test and activities related
- 3 thereto do not infringe, directly, contributorily, or by inducement, any valid, enforceable claim of
- 4 the '540 patent, either literally or under the doctrine of equivalents, and have not done so in the
- 5 past;
- 6 C. A declaration that one or more claims of the '540 patent are invalid for failure to
- 7 comply with the requirements of the patent laws of the United States as set forth in Title 35 of the
- 8 United States Code, including without limitation §§ 101, 102, 103 and/or 112;
- 9 D. An award to Natera of its costs and reasonable expenses to the fullest extent
- 10 permitted by law;
- 11 E. A declaration that this case is exceptional under 35 U.S.C. § 285 and an award of
- 12 attorneys' fees and costs; and
- 13 F. An award of such other and further relief as the Court may deem just and proper.

14 **DEMAND FOR JURY TRIAL**

15 Pursuant to Federal Rule of Civil Procedure 38(b) and Civil Local Rule 3-6(a), Natera

16 hereby demands a trial by jury on all issues so triable.

17

18 DATED: January 6, 2012

THOMAS WHITE LAW LLP

19

20 By: 

21 MATTHEW W. MESKELL
22 W. PAUL SCHUCK
23 SONY B. BARARI
24 Attorneys for Plaintiff
25 NATERA
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